

Space & Missile Systems Division Hosts Joint Immersion Day

by Ms. Ashley Wuytens, Congressional and Public Affairs Student Intern,
DCMA Ground Systems & Munitions and Space & Missile Systems Divisions

At the Defense Contract Management Agency's (DCMA's) Space & Missile Systems Division it is believed that "space acquisition is different (from other organizations)." On June 28, 2006 that idea was proven.

Representatives from the Air Force Space and Missile Systems Center (SMC), DCMA space-centric contract management offices (CMOs) and space industry partners met for the first Joint Immersion Day, which was cohosted by DCMA Space & Missile Systems Division and SMC. The events were held at the Air Force's Fort MacArthur housing area community center in San Pedro, Calif.

Mrs. Patricia Kirk-McAlpine, director, DCMA Space & Missile Systems and Ground Systems & Munitions Divisions, began the morning by welcoming attendees. She encouraged everyone to learn throughout the day in the various workshops and take seriously the concept of government, customers and industry all working together to keep warfighters safe. Her remarks were followed by an SMC overview given by Mr. Lawrence Clark, acting director of contracts.

The workshops covered a wide variety of topics, including contracting incentives; evolutionary acquisition; Six Sigma culture; systems engineering; *Federal Acquisition Regulation* (FAR) *Part 45*; the Berry Amendment; earned value management (EVM); subcontract and supply chain management; proposal pricing and compliance/internal governance; implementation of specifications and standards; and National Security Space Acquisition Policy. The workshops were led by representatives from SMC, DCMA, the Defense Acquisition University (DAU) and industry representatives.

The contracting incentive workshop, presented by Mr. James McNulty, professor, DAU, discussed the Government Accountability Office report to the U.S. Senate's Subcommittee on Readiness and Management Support, Committee on Armed Services. The report found that "award fees have not been effective in achieving acquisition outcomes; the Department of Defense [DoD] engages in practices that undermine efforts to motivate contractor performance and contractors; and contractors are not held accountable for achieving desired acquisition outcomes in things such as cost, schedule and performance," said Mr. McNulty. As a result, DoD concurred with three of the GAO's recommendations, which are to issue

Representatives from the Air Force Space and Missile Systems Center, DCMA space-centric CMOs and space industry partners met for the first Joint Immersion Day.

(Left) Mr. Len Salazar, property manager for DCMA Space & Missile Systems Division, gives an overview of the *FAR Part 45* rewrite.

Mrs. Patricia Kirk-McAlpine encouraged everyone to learn throughout the day in the various workshops and take seriously the concept of government, customers and industry all working together to keep warfighters safe.

DoD guidance on when contract “rollover” is appropriate, move toward outcome-based award fee criteria and develop a mechanism to share best practices. “DoD stated it was fair and reasonable to pay a portion of the fee based on satisfactory performance while the bulk should be based on excellent performance,” said Mr. McNulty.

Evolution acquisition, “the preferred DoD strategy for rapid acquisition of mature technology to the user,” as Air Force Maj. George Bock, DAU, explained, was the topic of another workshop. The benefits of evolution acquisition were discussed, including the reduction in cycle time, speedy delivery of advanced war-fighting capabilities and the development and fielding of manageable pieces of hardware and software with demonstrated technologies providing for continual improvements in capability. “Performance-based contracts fit well with [evolution acquisition] strategy,” said Maj. Bock. “Flexibility allows the contractor to achieve results.”

Six Sigma, a process whereby new products and processes are designed to meet customer needs, was the topic of a third workshop. “Six Sigma is more than just a process improvement ... there is a need to improve existing processes so that their outputs meet customer requirements,” explained Mr. Craig Wesser, Six Sigma operations manager,

Northrop Grumman Space Technology. He went on to outline the critical components of process management: well-defined processes; visible measures that are accurately and routinely collected; measurement of things that are important to the customer and business success; identification of gaps and target improvements; and an open culture willing to self-examine. “Skill enhancement of employees improves the effectiveness and efficiency of people working on programs,” Mr. Wesser said, adding, “through reduced task costs, customers can expect overall costs (and potentially bid rates) to decrease ... [and] customers can have higher confidence in bid accuracy.”

Mr. Len Salazar, DCMA Space & Missile Systems Division property manager, presented the *FAR Part 45* rewrite implications workshop, discussing the goals of the proposed rule, which are to update and clarify terminology, leverage existing resources with new technologies and applications, limit the amount of government property furnished to contractors, create a modern performance-based policy and maximize continuous improvement. “A major change to the FAR is the introduction of the use of commercial standards and industry



(Above) Mrs. Patricia Kirk-McAlpine, director, DCMA Space & Missile Systems Division, and Mr. Lawrence Clark, acting director of contracts, Space and Missile Systems Center, discuss the agenda for the day before welcoming all attendees to the June 28 Joint Immersion Day.

“Lt. Gen. Michael A. Hamel [commander, SMC, Air Force Space Command] was so impressed with the event that he included it as a success story in his weekly video-teleconference with the Undersecretary of the Air Force, Dr. Ron Sega.”

leading practices into the property management process, where applicable, to the maximum extent possible,” said Mr. Salazar.

The Berry Amendment workshop, presented by Mr. Dave Ricci, DCMA Contract Operations deputy executive director, seemed to be a topic of particular interest for many attendees. The Berry Amendment “restricts the use of DoD funds to pay for certain items that are not grown, reprocessed, reused or produced in the United States,” said Mr. Ricci. Items covered under Berry include cotton, woven silk, synthetic fiber, canvas products, wool, specialty metals such as stainless steel and hand or measuring tools. “As of June 15, there are 332 potential noncompliant suppliers,” said Mr. Ricci. “It would be reasonable to expect to see training, more government oversight and possibly some refinement of regulatory language in the future.”

The EVM workshop discussed DCMA’s role as DoD’s EVM executive agent. With regard to EVM, “the most common issues found were scheduling, work authorization, [management reserve/undistributed budget] management, change incorporation and estimate-at-completion issues,” said Mr. Robert Chen, staff engineer, DCMA Space & Missile Systems Division. Recurring concerns included

inadequate contractor analysis and oversight, credit earned without achieving intended results and failure to project longer-term impacts to cost and schedule. “EVM has been ineffective on a number of large-scale development programs,” continued Mr. Chen. “The focus on underlying program performance is essential for effective earned value.”

The fifth workshop, presented by Mr. Michael Bath, team leader, DCMA Space & Missile Systems Technical Operations, covered meeting customer expectations for mission assurance throughout the supply chain. Ideas discussed during this workshop included the importance of regular reporting of surveillance activities, mandatory government inspections and close and detailed communication on critical requirements with the customer.

In addition to the aforementioned six speakers, other workshop speakers included Air Force Capt. Shelli Brunswick, DAU; Ms. Beth Emery, Northrop Grumman; Mr. Steven Hansen, Northrop Grumman; Mr. Stan Albrecht, Boeing; Mr. Dan Noteboom, Boeing; Mr. Richard Snell, Boeing; Mr. Robert Baldridge, Lockheed Martin; and Air Force Col. James Horejsi, SMC.

The variety of interesting, relevant topics and excellent speakers helped to make the first-ever Joint Immersion Day a definite success. “Lt. Gen. Michael A. Hamel [commander, SMC, Air Force Space Command] was so impressed with the event that he included it as a success story in his weekly video-teleconference with the Undersecretary of the Air Force, Dr. Ron Sega,” said Ms. Leslie Kenney, DCMA customer liaison representative.



(Above) Attendees listen carefully in a workshop during Joint Immersion Day.